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FM AMEMBASSY NEW DELHI  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 2560  
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE  
RUEHBJ/AMEMBASSY BEIJING 6946  
RUEHMO/AMEMBASSY MOSCOW 2713  
RUEHKO/AMEMBASSY TOKYO 5701  
RUEAIIA/CIA WASHDC  
RHEHNSC/NSC WASHDC  
RUEIDN/DNI WASHINGTON DC  
RHHMUNA/CDR USPACOM HONOLULU HI  
RUCNDT/USMISSION USUN NEW YORK 6622  
RHMFISS/HQ USCENTCOM MACDILL AFB FL  
RUEHGV/USMISSION GENEVA 7805  
RHHMUNA/HQ USPACOM HONOLULU HI  
RHMFISS/HQ USSOCOM MACDILL AFB FL  
RUEKJCS/JOINT STAFF WASHDC

UNCLAS SECTION 01 OF 02 NEW DELHI 001894

SENSITIVE  
SIPDIS

DEPT FOR SCA/INS, DRL

E.O. 12958: N/A

TAGS: [PGOV](#) [PHUM](#) [PREL](#) [PTER](#) [KDEM](#) [IN](#)

SUBJECT: JAMMU AND KASHMIR'S CONGRESS-LED GOVERNMENT FALLS

REF: NEW DELHI 1799

11. (SBU) Summary: Jammu and Kashmir (J&K) Congress Party Chief Minister Ghulam Nabi Azad resigned on July 7, thereby ending the rule of his Congress-led coalition government in the state. Azad's coalition government lost its majority when its key ally, the People's Democratic Party (PDP), pulled its support on June 28 in response to the government's decision to grant land to Hindu pilgrims in predominately Muslim Kashmir (reftel). After several days of politicking, and violent street demonstrations from Muslims and Hindus alike over the land transfer, Azad realized he could not find the votes to win a confidence motion and submitted his resignation to Governor N.N. Vohra. Azad's downfall represents another blow to the Congress Party, which has recently lost state elections in Himachal Pradesh, Gujarat, Karnataka, and now faces a failed government in J&K. This bodes poorly for Congress, both in J&K, which heads to the polls in October, and nationally with polls due in May 2009 at the latest. End Summary.

Timeline of Events: Land Transfer Stirs up Emotions  
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12. (U) The J&K government transferred 100 acres of state land to the Shri Amarnath Shrine Board (SASB) for the use of Hindu pilgrims in predominately Muslim Kashmir on May 26. Muslims in many Kashmir localities demonstrated against the land transfer throughout June. Opposition reached a fever pitch by June 25 when police fired on the demonstrators, killing two and injuring 70. Mass strikes and sit-ins ensued which brought the state to a standstill. On June 28, a Congress Party coalition ally, the People's Democratic Party (PDP), withdrew support from the government to formally protest the land transfer. In keeping with constitutional law, Governor Vohra then called on Chief Minister Azad to demonstrate his majority in the Assembly by July 7. In the face of ongoing protests, the Congress-led government reversed itself on July 1, taking the land back from the SASB. This in turn led to violent demonstrations in Hindu-majority Jammu. Protests continued, though with decreasing fervor, until July 7 when Azad resigned, unable to muster the votes to win a confidence motion.

Governor's Rule Likely

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13. (SBU) Comment: Governor Vohra accepted Azad's resignation but asked him to remain in a caretaker role until other arrangements can be made. This in all likelihood means Governor's Rule, to be announced in the coming days. In any other Indian state, the Congress may have tried to play politics and somehow let Azad remain in a caretaker role until elections in October. But given the sensitivities and demonstrated political volatilities in J&K, any decision other than Governor's Rule would likely backfire on Congress and enrage the opposition. Most political analysts believe the Congress party will lose seats in the October elections. However, due to the political math in J&K, the Congress may still find itself in a ruling coalition with either the PDP or the National Conference after October polls, albeit as a junior partner.

National Implications: Congress Loses Another State  
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14. (SBU) Comment Continued: The loss of another state portends ill for the struggling Congress Party. With elections due in October in J&K, it's possible Congress could "lose" the state twice. This comes on the heels of the Congress Party's state electoral defeats in Himachal Pradesh, Gujarat and Karnataka. The only silver lining in the J&K affair has been the much larger story of the Congress Party's success in having potentially saved itself and nuclear deal at the center. Positive nuclear deal developments have

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garnered all the headlines and made J&K a (still big) secondary story. This is of course little comfort to Congress Party leaders who face a fragmented polity in the 2009 general elections with a surging BJP and deeply embedded regional parties. End Comment.  
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